



# Sustainalytics Communication on Progress 2014

Submitted to the UN Global Compact

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# About Sustainalytics

Sustainalytics supports investors around the world with the development and implementation of responsible investment strategies. The firm partners with institutional investors that integrate environmental, social and governance information and assessments into their investment decisions.

Headquartered in Amsterdam, Sustainalytics has offices in Boston, Bucharest, Frankfurt, London, Paris, Singapore, Timisoara and Toronto, and representatives in Bogotá, Brussels, Copenhagen, New York City and San Francisco. The firm has 160 staff members, including more than 100 analysts with varied multidisciplinary expertise and thorough understanding of more than 40 industries. In 2012 and 2013, Sustainalytics was voted best independent sustainable and responsible investment research firm in the [Thomson Reuters Emtel's IIRI survey](#).

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Sustainalytics

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# Statement of Continued Support

## To our stakeholders:

I am pleased to confirm that Sustainalytics reaffirms its support of the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption.

In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations. We also commit to share this information with our stakeholders using our primary channels of communication.

Sincerely yours,

Michael Jantzi, CEO  
Sustainalytics

# Human & Labour Rights



**Human Rights**



**Labour Rights**



Environment



Anti-Corruption

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## Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights; and

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## Principle 2

make sure that they are not complicit in human rights abuses

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## Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

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## Principle 4

the elimination of all forms of forced and compulsory labour;

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## Principle 5

the effective abolition of child labour; and

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## Principle 6

the elimination of discrimination in respect of employment and occupation

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### Assessment, Policy and Goals

Sustainalytics is strongly committed to equality and fairness and strives to implement these principles in all aspects of its operations, including equality and diversity in its workplace, employment, provision of employee benefits and business/supplier relationships.

The company has a strict zero tolerance policy on discrimination and harassment of any kind in its workplace, including that which occurs at off-site business-related activities. Sustainalytics acknowledges discrimination or harassment to include that which is based on race, national or ethnic origin, colour, religion, age, gender (including pregnancy or childbirth), sexual orientation, marital status, family status, or physical or mental disability, or conviction for which a pardon has been granted.



## Implementation

### In our daily work:

- Each new employee is given written information regarding anti-discrimination, equality and diversity, the code of conduct and reporting mechanisms.
- The company utilizes transparent HR software and processes and fosters the development of employee culture that is underpinned by the value to “Treat others as you wish to be treated.” Sustainalytics has recently upgraded to a new HR software which includes an Employee Self Service Portal which provides an easily searchable and centralized database for all employees.
- The company’s robust Appraisal Framework includes a mid-year and end-year progression review process, regular manager/report check-ins and mentorship. The company has a very clear and transparent retention and career progression strategy.
- Sustainalytics has embarked on a 3 year multi-stakeholder research initiative with the Network for Business Sustainability around the topic of Embedding Sustainability Organizational Culture.
- Sustainalytics encourages healthy work-life integration, offering every employee the option to work from home two days per month and approves of flexible working hours.
- The company has health and safety representatives present in large offices.
- Sustainalytics organizes the Schoemaker-Sustainalytics Student Competition: Business & Human Rights annually, which awards one student a (paid) three to four month internship focusing on business and human rights.

### Through our products and services:

- The Sustainalytics Global Platform provides extensive industry focused research on global companies’ human rights and labour rights performance. This research is utilized by investor clients in their Responsible Investment strategies.
- Sustainalytics’ UN Global Compact Compliance Service (GCCS) identifies companies in potential violation of the core covenants of the International Bill of Rights, as codified under the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights, to support our clients’ human rights due diligence processes and the implementation of the UN Guiding Principles.
- Clients use the Sustainalytics Global Platform and the UN GCCS in managing their human rights risks, to engage with companies as shareholders and encourage improvement of corporate human rights performance.
- Sustainalytics thematic research and insights on human rights and labour rights promote best practices globally. Recently analysts have published reports covering worker equity in food and agriculture, electronics worker safety, sustainable investment in Myanmar, and free, prior, and informed consent in the mining industry.

## Measurement of outcomes

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### In our daily work:

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Formal reporting structure for responding to discrimination and harassment

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Employee base is made up of 40% men and 60% women

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Employee base includes 25 different nationalities (including dual citizenship)

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At the beginning of 2014, 22% of the employee base was promoted

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In 2013, 64% of the employee base used their allocated education budget

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Sustainalytics' CEO delivers an annual review, corporate update and outlook for the coming year

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The company has experienced no human rights fines or any ongoing investigations.

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### Through our products and services:

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Sustainalytics' Global Platform provides our clients with high quality, relevant, and timely human rights and labour rights data on over 4500 companies.

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# Environmental Principles



Human Rights



Labour Rights



**Environment**



Anti-Corruption

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## Principle 7

Businesses should support a precautionary approach to environmental challenges;

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## Principle 8

undertake initiatives to promote greater environmental responsibility; and

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## Principle 9

encourage the development and diffusion of environmentally friendly technologies

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### Assessment, Policy and Goals

Sustainalytics strives to operate its physical offices in a manner that is respectful to the environments in which they operate. We are continually looking at ways to reduce our footprint and strive to question the necessity of all business travel and purchases.

### Implementation

#### In our daily work:

- Sustainalytics Annual Global Volunteer Day, 2013 was dedicated to tackling climate change. The day saw employees engage in activities such as tree planting, organic farming, bicycle repair and forest regeneration. Participation was mandatory and carried out across all Sustainalytics' offices.
- Employees are encouraged and reminded to turn off lights and monitors at the end of every day and during lunch breaks.
- The company is currently undertaking a calculation of GHG emissions resulting from business travel and the development of an appropriate Offsetting Policy to be completed in 2014 (in final stages).
- Sustainalytics is currently drafting an explicit Green Procurement Policy, however the company does have a verbal policy that stipulates; recycled, sustainable options for all food, furniture and supplies must be considered first.

#### Through our products and services:

- The Sustainalytics Global Platform provides extensive industry focused research on global companies' environmental performance. This research is utilized

by investor clients in their Responsible Investment strategies, and it integral in managing their environmental risks, engaging with companies as shareholders and encouraging the improvement of corporate environmental performance.

- Through Sustainalytics provision of environmental sustainability intelligence services, the company's corporate clients have achieved measurable environmental impact reductions. Sustainalytics has worked closely with clients in the retail, IT, automotive, and energy sectors to improve their environmental performance and disclosure.
- Sustainalytics portfolio screening services, enable our investor clients to screen out companies that have poor environmental performance, thus putting investor pressure on companies to improve their environmental performance overall.
- Sustainalytics research and insights help to strengthen the environmental movement globally, the company's analysts have published reports covering numerous emerging environmental issues, such as emission reduction in the shipping industry and waste in Asia.
- Sustainalytics engages in numerous partnerships where the company's research is used for publicly disclosed corporate ratings and rankings. These rankings put peer pressure on companies to improve their environmental performance. Sustainalytics has provided research for the annual Maclean's Top 50 Socially Responsible Companies, Semana "Las 20 Más Sostenibles" – a ranking of the 20 most sustainable companies operating in Colombia.
- Sustainalytics is the official training partner for the Global Reporting Initiative's certified training courses in Canada. The company provides sustainability reporting training to professionals from corporations, government, NGOs and the not-for-profit sectors, thereby positively influencing overall environmental and sustainability reporting and disclosure across Canada.

## Measurement of outcomes

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### In our daily work:

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Sustainalytics is continually trying to measure and improve environmental policies and the environmental impact of its global offices.

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90% of Sustainalytics offices purchase 100% recycled paper, the remaining 10% purchase SFI Certified wood fibre paper.

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Sustainalytics estimates that 95% of all paper consumed globally is 100% recycled.

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75% of Sustainalytics' offices recycle waste.

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12.5% of Sustainalytics' offices compost green waste.

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Sustainalytics estimates that 95% of all employees take public transport to work.

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Sustainalytics tracks all employee business travel.

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**Through our products and services:**

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Sustainalytics' Global Platform provides our clients with high quality, relevant, and timely environmental data on over 4500 companies.

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Sustainalytics has developed customized sustainability evaluation frameworks for more than 40 different industries, which are applied to evaluate corporate environmental performance.

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Sustainalytics has trained hundreds of sustainability professionals since 2009, on the GRI certified sustainability reporting guidelines, improving environmental reporting across numerous industries.

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# Anti-Corruption Principles



Human Rights



Labour Rights



Environment



**Anti-Corruption**

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## Principle 10

Businesses should work against corruption in all its forms, including extortion and bribery.

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### Assessment, Policy and Goals

Sustainalytics continually strives to foster a global corporate culture that promotes transparency and integrity in all of the company's interactions with clients and employees. Considerable efforts are undertaken by the company's human resources team to communicate this culture of integrity globally. Transparent and ethical dealings with clients are of utmost concern to Sustainalytics and every effort is made to ensure client privacy and safeguard client information at all times.

### Implementation

#### In our daily work:

- Our research methodology processes are transparent and include an active dialogue with the companies we research.
- Strict research quality management processes are in place to ensure transparency and the reliability of the data Sustainalytics provides to its clients.

#### Through our products and services:

- The Sustainalytics Global Platform provides extensive industry focused research on global companies' governance performance, including anti-corruption policies and programmes. This research is utilized by investor clients in their Responsible Investment strategies, and it integral in managing their governance risks, engaging with companies as shareholders and encouraging the improvement of corporate governance performance.
- Sustainalytics portfolio screening services, enable our investor clients to screen out companies that have poor governance and business ethics performance, thus putting investor pressure on companies to improve their anti-corruption initiatives and business ethics performance overall.
- Sustainalytics publications have provided insights into important governance issues, such as tax transparency and multinational corporations.

- The Sustainalytics' Country Risk Monitor is an investment tool that supports financial institutions globally in their risk based country analysis as well as compliance driven or ethical approaches to sovereign bonds investments or lending activities. The product provides an analysis of 171 countries based on 31 ESG topics, including topics such as corruption and institutional strength. These conditions also have a direct and indirect impact on economic well-being and growth, and therefore the creditworthiness of countries.

## Measurement of outcomes

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### In our daily work:

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In 2013 Sustainalytics had a client retention rate of 95.4% which is due in large part to our ongoing ethical and transparent relationships with clients.

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No incidents concerning conflicts of interest have ever been reported by an external party.

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### Through our products and services:

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Sustainalytics' Global Platform provides our clients with high quality, relevant, and timely governance data on over 4500 companies.

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